



FEDERAL COMMUNICATIONS COMMISSION

[CG Docket Nos. 03-123 and 13-24; DA 21-753; FR ID 36290]

Comment Sought on Request for Freeze of IP CTS Compensation Level

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: In this document, the Consumer and Governmental Affairs Bureau (Bureau) of the Federal Communications Commission (Commission) seeks comment on a request by six of the seven currently certified providers of Internet Protocol (IP) Captioned Telephone Service (IP CTS) to defer the reduction in the per minute level of Telecommunications Relay Service (TRS) Fund support for IP CTS previously ordered by the Commission.

DATES: Comments are due **[INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and replies are due **[INSERT DATE 25 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments and replies may be filed, identified by CG Docket Nos. 03-123 and 13-24, using the Commission's Electronic Comment Filing System (ECFS).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <https://www.fcc.gov/ecfs/filings>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Currently, the Commission does not accept any hand delivered or messenger delivered filings as a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. In the event that the Commission announces the lifting of COVID-19 restrictions, a filing window will be opened at the Commission's office located at 9050 Junction Drive, Annapolis Junction, Maryland 20701.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington DC 20554.
- During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.

FOR FURTHER INFORMATION CONTACT: William Wallace, Consumer and Governmental Affairs Bureau at: (202) 418-2716; email: William.Wallace@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's *Public Notice*, DA 21-753, in CG Docket Nos. 03-123 and 13-24, released on June 25, 2021. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

SYNOPSIS

1. On September 30, 2020, the Commission adopted *Misuse of Internet Protocol (IP) Captioned Telephone Service; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking*, published at 85 FR 64971, October 14, 2020, and 86 FR 7681, February 1,

2021. Pursuant to the *Report and Order*, TRS Fund compensation for the provision of IP CTS is to be reduced from the current level of \$1.42 per minute to \$1.30 per minute, effective July 1, 2021.

2. The Joint Providers contend that deferring the scheduled compensation reduction would better enable the Commission to consider the impact on compensation rates before adopting changes in applicable service-quality standards, as proposed in the *Further Notice of Proposed Rulemaking*. The Joint Providers point out that the currently scheduled compensation adjustment follows a series of previous adjustments ordered by the Commission over a three-year period, with the goal of bringing TRS Fund compensation into line with reasonable cost, and that these prior adjustments reduced per-minute IP CTS compensation from \$1.9467 (in the 2017-18 Fund Year) to the current \$1.42 level.

3. The Joint Providers also assert that “significant uncertainty as to future costs and demand” has resulted from the “protracted impact of the [COVID-19] pandemic” and the consequent adjustments made by IP CTS providers “to ensure high quality access for users.” As a result, the Joint Providers argue, “a prudent approach is to halt further rate reductions, determine the appropriate standards that will be adopted for IP CTS, determine the impact of those standards on normalized costs (*i.e.*, not impacted by a worldwide pandemic), and determine a long-term rate methodology that ensures continued functional equivalence, innovation, and consumer choice for IP CTS users.”

4. The Bureau seeks comment on the Joint Providers’ request. In particular, because there is insufficient information in the record to evaluate some of the assertions in the request, and because the Commission’s analysis of the issues raised should be data driven, the Bureau seeks additional information on the following:

- Current estimates are that \$1.30 is substantially higher than the average per-minute IP CTS cost projected for 2021-22. The \$1.30 per-minute compensation rate was adopted based on pre-COVID-19 estimates of average per-minute cost. To date, the impact of the COVID-19 pandemic has been to reduce average per-minute IP CTS costs substantially *below* the \$1.30 cost-based rate adopted by the Commission. Based on providers’ cost and demand projections submitted in March 2021, the TRS Fund administrator estimates a weighted average cost for IP CTS (including a 10% operating margin) of \$1.1169 per minute—approximately 14% lower than the scheduled \$1.30 compensation. Have providers revised their projections of 2021-22 costs and

demand? If so, the Bureau seeks detailed information about such revised projections and the basis on which they were revised, to enable a determination of the likelihood that average per-minute costs (plus operating margin) for the 2021-22 Fund Year will exceed the \$1.30 level. Is there other reliable data supporting a compensation freeze at the \$1.42 level?

- The \$1.30 per-minute rate that is scheduled to become effective July 1 will expire at the end of the 2021-22 Fund Year. Is freezing the rate at a higher level necessary at this time, or could the Commission effectively address the impact of possible changes in service-quality standards when setting compensation for the subsequent rate period?
- While the Commission has proposed that metric standards be developed for IP CTS caption delay and accuracy, no such standards have been adopted to date. Nonetheless, the Bureau seeks information about any investments in quality and technology improvements currently being considered by providers. To what extent could such investments be expected to cause a net increase in a provider's per-minute service costs during the 2021-22 Fund Year?
- Given the industry's recent innovation, development, and investment in automatic speech recognition, to what extent could such investment in quality and technology improvements result in a decrease in per-minute costs?
- If the Commission were to "freeze" IP CTS compensation at the current \$1.42 level, what increase would be needed in the proposed TRS funding requirement and the contribution factor for support of IP CTS? If such action were to be taken after the \$1.30 compensation level becomes effective, should the Commission "true up" compensation retroactively to July 1? How should such a true-up be handled?

Federal Communications Commission.

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